

ESTEFANO RUBIO

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Education

University of Chicago, Ph.D. in Economics	<i>expected: 2024</i>
University of Chicago, M.A. in Economics	<i>2020</i>
Universidad de Chile, M.A. in Public Policy, Highest Distinction (ranking: 1/45)	<i>2015</i>
Universidad de Chile, B.Sc. in Economics and Business, Highest Distinction (ranking: 1/251)	<i>2013</i>

References

Professor James Robinson (Chair) University of Chicago Harris School of Public Policy jamesrobinson@uchicago.edu (773) 702-6364	Professor Joseph Root University of Chicago Kenneth C. Griffin Department of Economics jroot@uchicago.edu (773) 834-3498
Professor Evan Rose University of Chicago Kenneth C. Griffin Department of Economics ekrose@uchicago.edu (773) 834-3116	

Research and Teaching Fields

Primary:	Political Economy, Labor Economics
Secondary:	Public Economics, Microeconomic Theory

Job Market Paper

Power Distribution and Efficiency: Theory and Evidence from Unionized Firms

Abstract: Institutions shape the distribution of power within societies and organizations, affecting how resources are shared among their members. This paper explores whether reallocating power to disadvantaged groups can enhance equality and efficiency. Introducing the ‘burden of power’ mechanism, I show that powerful groups can benefit by transferring power, thereby mitigating coercive actions from the powerless that would otherwise reduce the total surplus. I investigate this mechanism in the context of labor

unions, examining how an increase in unions' bargaining power influences firms' profits. Utilizing data from a Chilean labor code reform, I run an event study based on a quasi-random treatment assignment. It reveals that while profits were unaffected, remunerations to non-managerial workers increased, the number of worked hours did not fall, and unionization rates declined (hinting at a reduction in union 'coercion'). Heterogeneous effects by the ex-ante distribution of bargaining power provide evidence of the sign of the second derivative of the outcome variables with respect to unions' bargaining power. I also present a Nash-bargaining model rationalizing these findings, formalizing the 'burden of power', and characterizing Pareto-efficient bargaining power distributions. A model calibration indicates a rise in the average union's surplus share from 0.39 (pre-reform) to 0.48 (post-reform).

Working Papers

False Consciousness? Partisan Colleges and Political Donations (with Franco Calle)

Abstract: This paper provides evidence that educational institutions shape political ideologies and activism. Using population data from Chilean college applications and political donations from 2004 to 2021, we explore the causal impact of attendance of universities with different ideological leanings on political donations. Leveraging score-based discontinuities in Chile's centralized college application system as an instrumental variable, we find that attending left-leaning universities significantly impacts political donation behaviors. Specifically, our fuzzy RDD outcomes indicate that enrollment at left-leaning institutions bolsters political activism, elevating the likelihood of donating to any political party by 0.69 pp (a magnitude equivalent to 60% of the share of donations in the population) and 0.92 pp for compliers. This uptick predominantly stems from a surge of 0.48 pp in donations favoring left-wing campaigns (equivalent to 52% of all donations caused by attendance at a left-leaning college going to leftist campaigns, 18% going to the right, and 30% to the center). Eighty percent of the donations to leftist campaigns from alumni of left-leaning colleges are attributable to the causal effect of attending a left-leaning college. No significant effects are found for graduates of right-oriented colleges.

Work in Progress

Unethical Allocations: Uninformative Traps under Repeated Probabilistic Voting

Abstract: People judge whether an action or policy is right or wrong based on their ethical preferences, and policies perceived as morally unfair lead to political dissatisfaction. Understanding the conditions under which democratic competition fails to implement ethical allocations can be useful in tackling this worldwide challenge. Using a dynamic probabilistic voting model in which candidates learn about citizens' ethical preferences, this paper characterizes a set of ethically consistent redistribution policies (allocations). Ethical allocations are those that would be implemented by a social welfare function axiomatically induced by a given ethics. In this communication game, continuous learning leads to a steady state convergence in which politicians identify society's true preference profile and implement a utilitarian optimum (as in the classic probabilistic voting model). However, when the election results are not informative, there may arise periods in which learning is not possible ('uninformative traps') and a potentially unethical allocation is implemented. While communication frictions, such as voluntary voting and dictatorships, hinder the learning process, high-quality institutions facilitate it.

Power Shifting Dynamics and Development Paths: Evidence from Unionized Firms

Data Agreement: SII (Internal Revenue System from Chile), DT (Directorate of Labor from Chile), and CNEP (National Commission of Evaluation and Productivity).

Long-term Effects of Colleges on Political Donations (with Franco Calle)

Data Agreement: DEMRE (Department of Evaluation, Measurement, and Educational Registration), MINEDUC (Ministry of Education from Chile), SERVEL (Electoral Service).

Bargaining Power and Redistribution at the Firm (with Jose Miguel Pascual)

Data Agreement: SII (Internal Revenue System from Chile) and CNEP (National Commission of Evaluation and Productivity).

Presented: Harris School of Public Policy, University of Chicago.

Awards, Scholarships, and Grants

The Pearson Institute, <i>Research and Innovation Fund Grant</i> (\$10,000)	2021-2022
Kenneth C. Griffin Department of Economics, U. Chicago, <i>Data Acquisition Grant</i> (\$3,000)	2022
Fulbright Commission, <i>Fulbright Fellowship</i>	2018-present
University of Chicago, <i>Social Sciences Division Fellowship</i>	2018-present
Chilean Government (ANID), <i>Academic Excellence Doctoral Scholarship</i> (\$300,000)	2018-2022
Chilean Government (ANID), <i>Academic Excellence Masters Scholarship</i> (\$200,000) [Declined]	2018
Universidad de Chile, Department of Economics, <i>Best Student of the Class Award</i> – MPP	2015
Universidad de Chile, Dept. of Economics, <i>Academic Excellence Scholarship</i> – MPP (\$30,000)	2014
Universidad de Chile, <i>Award to Best Academic Performance</i> [x5] – BSc in Economics	2010-2014
Universidad de Chile, <i>Academic Excellence Scholarship</i> – BSc in Economics (\$30,000)	2010-2014
DEMRE, <i>Highest National Score</i> – National University Admission Exam (PSU)	2008

Teaching Experience

Formal Models of Political Economics (undergrad)	TA for Prof. Fang	Fall 2022
Topics in Public and Labor Economics (graduate)	TA for Prof. Rose	Fall 2022
Principles of Microeconomics (undergrad)	TA for Prof. Lee	Spring 2022
Political Economy (undergrad)	TA for Prof. Fang	Spring 2022
Elements of Economic Analysis II (undergrad)	TA for Prof. Quineche	Winter 2022
Elements of Economic Analysis II – Honors (undergrad)	TA for Prof. Fang	Winter 2022
Social Interactions and Inequality (graduate)	TA for Prof. Durlauf	Spring 2021

Research Experience and Other Employment

External Researcher, National Commission of Evaluation and Productivity (CNEP) [Chile]	2022-2023
Research Assistant for Prof. Christopher Blattman, University of Chicago	2020-2021
Researcher in Economics, Center for Public Studies (CEP) [Chile]	2015-2018
Research Assistant for Prof. Rene San Martin, Neuroeconomics Center, UDP University	2017
Research Assistant for Prof. Javier Nuñez, Universidad de Chile	2014-2015
Summer Intern, Ministry of Finance, Capital Markets and Financial Stability Board	2013

Professional Experience

Presentations *Public and Labor Seminar (U. Chicago, Economics); Political Economy Seminar (U. Chicago, Harris School of Public Policy); Applied Microeconomics Seminar (U. Chicago, Economics); Theory Seminar (U. Chicago, Economics); Political Economy of Development Workshop (U. Chicago, Economics); Panel Member: Tax Reform in Chile (Nodo XXI)*

Refereeing Activity *Estudios Publicos [x2]*

Selection Committee *Women in Economic Theory Conference, Doctorate Scholarship – Fulbright Commission and Chilean Government (ANID)*

Publications (Pre - Ph.D.)

Earned income tax credit: a public policy against inequality (with Andres Hernando)
Estudios Publicos, 146: 49-85, May 2017. [In Spanish] [Media Coverage]

An Inequality Trap: the consequences of assortative matching on income distribution
Estudios Publicos, 144: 61-107, October 2016. [In Spanish] [Media Coverage 1] [Media Coverage 2]

Policy Papers (Pre - Ph.D.)

Ideas for a more Equitable Social Policy: less poverty among minors
(with Harald Beyer)

Punto de Referencia, N° 464, September 2017. [In Spanish]

A Contribution to the Discussion on the Workday

(with Rodrigo Vergara)

Punto de Referencia, N°454, May 2017. [In Spanish] [Media Coverage 1] [MC 2] [MC 3] [MC 4]

Tax Burden and Structure in Chile: comparison with OECD countries

(with Rodrigo Vergara)

Punto de Referencia, N°451, January 2017. [In Spanish] [Media Coverage 1] [Media Coverage 2]

The Tension between Individualism and Inequality in today's Chile

(with Ricardo Gonzalez and Bernardo Mackenna)

Ch.2 in ¿Malestar en Chile?, 79-107, edited by R. González, CEP, Santiago, 2016. [In Spanish]

Labor Inequalities: Employment and Skill Level of the Workforce in Chile

Punto de Referencia, N°446, November 2016. [In Spanish] [Media Coverage 1] [Media Coverage 2]

The Dialogue of Two Challenges: Evolution and Relationship between Inequality and Education in Chile

Debate de Política Pública, N°15, May 2016. [In Spanish] [Media Coverage]

Solidarity Contribution to Work Income: A better alternative against inequality

(with Andres Hernando)

Punto de Referencia, N° 419, November 2015. [In Spanish] [Media Coverage]

Additional Information

Citizenship Chilean

Programming Skills STATA, L^AT_EX, Mathematica, MATLAB, Python.

Languages Spanish (Native), English (Fluent), German (Basic), Italian (Basic)